**INCOME TAX  EMPLOYEES  FEDERATION**

**Manishinath Bhawan A/2/95 Rajouri Garden,**

**New Delhi. 110 027**.

[**www.itefcentralhq.org**](http://www.itef.blogspot.com/)**email:****itefcentral@gmail.com**

Cir. No. 33/12-15                                                                          Dated: 22.11.2013.

Dear Comrades:

**Quarterly Review Meeting with Chairman- Deferred- Regarding**-

             The meeting was scheduled to be held on 22.11.2013 at 3PM.  The meeting was convened after a gap of nine months on our persistent demand.  To our utter disappointment, we were informed at the last moment that the Chairperson is engaged in some urgent meeting and the QRM has to be rescheduled.  We were then invited by the Member (P) and the meeting took place in her office in the presence of JS (Admn) and US (Ad-IX) from the Official side. From the ITEF side Coms. Ashok B Salunkhe (President), KP Rajagopal (SG), Ravi B Nair, Yeshwant Purohit ( Joint Secretaries) and Rupak Sarkar (Finance Secretary) were present in the meeting.  ITGOA was represented by Coms. Sita Rama Rao (President), Rajesh Menon (Secretary General), R.S. Meel and Divakar Singh.    In the meeting the following issues only could be discussed.

1. Implementation of Supreme Court Order in Union of India & ors vs. N.R. Parmar & ors. We demanded, as decided in the CWC meeting held at Jaipur on 19 & 20th Oct. 2013 the withdrawal of the instructions issued by the CBDT in F No.C-18012/26/2003-V&L dated 15th October 2013 and issuance of clear and unambiguous instructions to CCAs for implementation or otherwise in a uniform manner in all Charges and all cadres.  **The Member (P) assured us that the said instruction will immediately be withdrawn.  We were also requested to provide inputs with regard to its implementation.**
2. **2.**Allocation of Cadre Restructuring Posts for effecting promotions in the month of December, 2013.  **It was informed that the Sub-committee for Allocation of Posts and Jurisdiction has been asked to submit its report by 29th Nov. 2013 and the manner of its implementation can be discussed and worked out in the rescheduled QRM on 9th December, 2013** **after discussion with the staff side.**
3. **3.**Stoppage of payment to Daily Paid/casual labours who are engaged and working in the Department continuously for years and withdrawal of the same. We have requested to withdraw the above instructions issued by the Board in this regard taking into account their long service in the Department; the assurances given by the Finance Minister to these workers to regularise the eligible candidates in the newly created posts of MTS and in the light of the stay granted by the Principal Bench of the CA Tribunal.  **We were informed that all efforts were being made by the Board to help the casual labours but for the instructions of the DOPT.  We were also assured that if the Principal Bench of the CA Tribunal has stayed the operation, efforts will be made to implement the same in all cases.**

**Anomaly in pay fixation for Promotees and Direct Recruitees at entry stage**.  As you are aware that this point, taken up  in the National Anomaly Committee was not accepted by the Government other than allowing stepping up of pay wherever possible.  Further the ITEF had separately taken up the issue of fixation of pay of Inspectors/AOs/PS, on the lines of clarification issued in the case of personnel in the CSS/CSSS (Central Secretariat Staff).  The same was turned down by the Department of Expenditure.  Upon the objections of the Accounting Department and directions to recover the alleged excess payments, we again persuaded  the CBDT to take up the matter with the DOE. The Board, with the approval of the Revenue Secretary resubmitted the proposal with additional inputs, sought the approval of the Department of Expenditure. Now the Department of Expenditure have conveyed their disagreement and turned down the claim for the second time.  On this issue, in similar circumstances, some other major organisations affiliated to the Confederation of CG Employees and Workers, are contemplating legal recourse.  Some organisations have already filed Petitions in the Principal Bench of CA Tribunal.  ITEF CHQ feels that we may also join or separately file similar Petitions in the Principal Bench of CA Tribunal.  Since the matter requires immediate steps, in order to take a formal decision, all the Secretariat Members and Circle General Secretaries are requested to convey their opinion in this matter by 30th November, 2013.  The opinion may be conveyed through SMS or Email in the following format to the CHQ to contemplate further necessary action in this matter.

**“Legal Approach for Pay Fixation Benefit- “ YES” or “NO”.**

**Increase of Local Travel Expenses to Inspectors and Notice Servers**. Our demand for increase in the quantum of reimbursement equivalent to the cost of 50 Ltr and 30 Ltrs of petrol to Inspectors and Notice Servers was accepted by the CBDT.  Additional inputs with regard to justification of our demand was provided to the authorities vide our letter No. N-1/O-2/12-15 Dated: 30th Sept.2013.  It is learnt that a reference has been made by the Board to all the cadre controlling authorities as to what should be the quantum of increase.  Copy of the above letter of ITEF is enclosed herewith.  The Circle General Secretaries are requested to air opinion in similar line, with the cadre controlling authorities and pursue the CCAs to send their views at the earliest.

            With greetings,

Yours fraternally,

(***KP Rajagopal***)

Secretary General

No. N-1/O-2/12-15                                                               Dated: 30thSept.2013

To

Ms. Roli Khare, IRS,

Dy. Director of Income Tax (Infra) Unit II,

IInd floor, A-Wing, HUDCO Vishala Bldg.

Bhikaji Kama Place,

New Delhi.

Madam,

**Sub:       Reimbursement of Local Conveyance allowance equivalent to the cost of 30/15 Lr Petrol to Income Tax Inspectors and Notice Servers-**

**Ref:        Your letter in F. No. DIT(Infra)/U-II/PM-24/2012-13/955 dated 13.09.2013.**

            This has reference to the above letter wherein we have been asked to provide further justification for enhancement of the Local Travel Expenses.  We give under further justification to our demand for increasing the limit of the above reimbursement.

               The proposal for reimbursement of Local Travel Expenses of Income Tax Inspectors was first approved by the Government in August, 1997 and for Notice Servers in the year 2008.  The decision was taken in the back ground of  (i) frequent travel requirement of Inspectors for discharging Official duties and (ii) the amount admissible under the Conveyance Allowance was found to be too insufficient to cover the amount spent by the Officials.  It was also found that the Inspectors had to often bear the expenses from their salary for discharging their official functions.  After taking into consideration all these factors the Government sanctioned the above scheme of reimbursement of Local Travel Expenses with a maximum rider of equivalent to the cost of 30 ltr. petrol.

                              After switching the economic policy over to the present one and extending a wide range of incentives for rural Industrialisation, the economic activities then confined to only cities and major towns have expanded to even far off places and remote villages.  In order to cover such areas of income generating activities to tap the potential Tax payers and catering to the requirement of tax collection, the Department also had to extend its arms to such areas.  It is well known and an acknowledged fact that in such cases the role and responsibilities of Inspectors are pivotal and only through the medium of Inspectors the arms of the Department is reached out to such places.   Further in the background of all-round increase in the conveyance expenses all over the country, the expansion of business/Industrial activities spreading from main cities/towns to sub-urban and remote areas etc. had necessitated  travel of Inspectors to far more places within the cities and remote areas, the Conference of this Federation demanded the increase of reimbursement of the Local Travel Expenses equivalent to the cost of 50 and 30 litres of petrol to Inspectors and Notice Servers respectively.

               Further, there had been a phenomenal increase in the fare of various local travel means during the last fifteen years viz. from the time of introduction of the scheme in 1997.  There had not been a review of the cost effectiveness of the scheme during this period.  It is also a fact that the price of petrol has also increased during the period, but the increase in the rate of local travel means like Taxi fare, Auto Fare is disproportionately higher to that of the increase of petrol price.  This increase in the rate of local travel means are due to various factors like cost of Vehicles, Maintenance expenses, high cost of spares, Wages etc.   The following tables illustrate the trend of increase in the Conveyance Expenses  vis a vis that of the petrol during the period.

1. **1.      TAXI Charges of selected cities.**

|  |  |  |  |
| --- | --- | --- | --- |
| **City** | **Minimum Charge****In 1997/98 (in Rs)** | **Minimum Charge****2012-13 (in Rs)** | **Increase** |
| Delhi | 6/ Ist KM3/ Subsequent Kms | 25/ Ist KM16/subsequent Kms | 4.16 times5.33 times |
| Bangalore | 4/2km2.50/subsequent kms | 20/1.8 KM11/subsequent kms | 5 times4.4 times |
| Chennai | 20- Minimum fare | 100 minimum. | 5 times |
| Mumbai | 7- minimum Charge | 19 minimum Charge | 2.71 times. |
| **Average increase of the four cities:** | **4.2 times** |

1. **2.      Auto Charges of Selected cities**.

|  |  |  |  |
| --- | --- | --- | --- |
| **City** | **Minimum Charge****In 1997/98 (in Rs)** | **Minimum Charge****2012-13 (in Rs)** | **Increase** |
| Delhi | 3/1.5 km | 11/1.4 km | 3.66 times |
| Bangalore | 4/2km | 20/1.8km | 5.6 times |
| Chennai | 5/2km | 25/2km | 5 times |
| **Average increase of the three cities** | **4.73 times**. |
|  |  |

1. **3.      Rate of petrol per litre.**

|  |  |  |
| --- | --- | --- |
| In 1997/1998 (\*\*) | In 2013 (\*\*) | increase |
| 26/litre | 68/ litre | **2.61 times** |

(\*\*) average rate of the whole year is taken.

From the above, it could be seen that the increase in the Conveyance expenses is far more than the increase in the Petrol price, thus making the Official to foot more than double the amount of entitled reimbursement.

               Worse is the condition of the employees using their own vehicles for discharging the official duties.  There had been a vast increase in the cost of spares and maintenance charges.  This apart the area that could be covered and distance travelled on vehicle during the last 15 years has decreased abnormally due to traffic snarls and other related issues.  The table below shows that the time taken on roads without exception of cities or town, to reach a specified distance/destination is three times that of the situation obtained in 1997-98.

1. **4.      On usage of own vehicle**:

|  |  |  |  |
| --- | --- | --- | --- |
| Vehicle | Average mileage/ltr | Average time taken/10KM | **Increase** |
| 1997/98 | 2013 | 1997/98 | 2013 |
| Motor Car | 12 | 12 | 20 min | 75 min | **3.75 times** |
| Motor Cycle | 30 | 30 | 25 min. | 75 min | **3 times** |

This means, the distance that could be covered per litre of petrol has come down to 1/3rd during the last 15 years.  In other words the expenses incurred by the officials using their own vehicles for discharging official responsibilities have to not only suffer economically but also valuable time. The following tables are illustrative of the phenomenal increase in maintenance cost of vehicles.

1. **5.      Cost of vehicle & cost of Maintenance.**

|  |  |  |  |
| --- | --- | --- | --- |
| Description | 1997/98 | 2013 | **Increase** |
| Average cost of a two wheeler | 12000 to 15000 | 60,000 to 75000 | **5 times** |
| Average cost of maintenance |  As per the index of Automobile industry, there had been an increase of 400% in the cost of automobile spares during the 2000-2010 periods.  This is the case of other components of maintenance of vehicles too.  Without taking the increase for 1997/98- 2013, period, the increase in the cost of maintenance is taken as above. | **4 times.** |

               From the above, it is clear that the Inspectors and Notice Servers are required to pay out much more than what is being reimbursed for discharging their official duties.  If the average increase of all the above five components are taken together (Taxi, auto fare, fuel consumption, vehicle cost, maintenance cost) and reduced by the increase in the petrol price, the real entitlement of increase in the travel expenses is equivalent to 1.5 times of the present entitlement viz. equivalent to the cost of 75 and 37 ltr of petrol to Inspectors and Notice Servers.  Our demand for increase to the cost of 50/30 ltr petrol for Inspectors/Notice Servers was based on the index of 2008-2009.  Thus there is not only sufficient justification for our demand already placed and approved by the Central Board of Direct Taxes, a clear case for under taking further review of the matter exists. Therefore, we request you, taking into all aspects into consideration, to pursue the matter urgently with the Department of Expenditure for early clearance.  We shall be taking up the issue of review for further increase separately with the CBDT after clearance of the present proposal pending with the DOE.

               Thanking you,

Yours faithfully,

(***KP Rajagopal***)

Secretary General,